Consumer Price Index

BRITISH COLUMBIA | BCStats

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Consumer Price Index (2002=100) Highlights

British Columbia's consumer price index (CPI) climbed 2.3% (*unadjusted*) in Februrary compared to the same month of the previous year, which is the same year-over-year rate of inflation measured in January.

According to Statistics Canada, the overall annual inflation rate of 2.3% increases to 2.9% when food is excluded from the index, and declines to 1.8% when energy is excluded.

The overall cost of food decreased (-0.9%) since February of last year. The cost of groceries purchased from stores went down (-2.7%), while the cost of meals purchased from restaurants increased (+2.7%) during the same time period. Within the food category, the largest drop in prices was observed for fresh vegetables (-8.8%), fresh fruit (-3.6%), and bakery and other cereal products (-3.4%). Fish and other seafood (+7.1%) was one major food category to experience a rise in prices compared to February of 2016.

The price of shelter (+2.3%) went up in February, with costs for both renters (+1.3%) and home owners (+2.3%) rising. Within the shelter category, the cost of fuel oil and other fuel (+25.7%), electricity (+3.9%), and property taxes (+3.0%) all increased since February 2016.

The transportation index (+6.1%) rose since February 2016, with the cost of both private transportation (+6.5%) and public transportation (+3.8%) going up.

There was a large increase in the price of gasoline (+19.7%) since February 2016, contributing to an increase in the overall cost of operating a motor vehicle (+9.2%). Travellers paid more for inter-city public transportation (+5.1%) compared to a year ago.

The overall cost of clothing and footwear went up slightly (+0.3%) in February, with the price of clothing unchanged (+0.1%) and the price of footwear going down slightly (-0.3%).

Compared to a year ago, consumers paid more for recreation, education and reading (+4.0%), alcoholic beverages and tobacco products (+2.6%), household operations and furnishings (+1.1%), and health and personal care (+1.0%). Within these categories, some items with significant increases include reading material and other printed matter (+15.0%) and recreation (+4.1%).

Consumer prices rose in both Vancouver (+2.2%) and Victoria (+2.4%) in February.

Canada's CPI rose 2.0% (*unadjusted*) in February. Provincial inflation rates ranged from a high of 4.2% in Newfoundland and Labrador to a low of 1.2% in Quebec. The rate of inflation in B.C. ranks third highest amongst the provinces, tied with both Ontario and Manitoba.

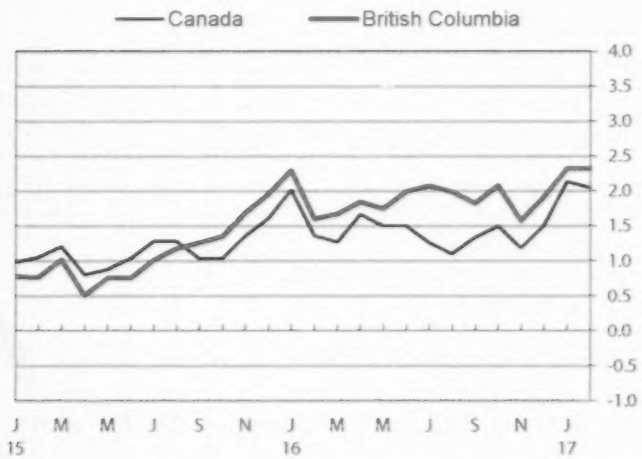
Note: Statistics Canada will release the March Consumer Price Index on April 21, 2017.

2002=100	All-Items Index	% Change from	
	February 2017	January 2017	February 2016
Canada	129.7	0.2	2.0
BC	123.6	0.1	2.3
Vancouver	125.5	0.2	2.2
Victoria	121.9	0.2	2.4
Canada-X[1]	129.2	0.4	1.7
BC (excluding energy)	121.3	0.2	1.8

[1] Defined by the Bank of Canada as the All-items index excluding the eight most volatile components (fruit, vegetables, gasoline, fuel oil, natural gas, mortgage interest, inter-city transportation and tobacco products). Also excluded is the effect of changes in indirect taxes on the remaining components.

BC and Canada Inflation Trend

(% change, same month of previous year)



2002=100	Latest 12-month Average Index (ending in February 2017)	Latest 12-month Average % Change	2016 Annual Average % Change
Canada	128.8	1.5	1.4
BC	122.9	1.9	1.8
Vancouver	125.0	2.2	2.2
Victoria	121.2	1.9	1.8

Terms and definitions

Base effect

The 12-month variation in the CPI is calculated by comparing the current month's index with the index for the same month of the previous year. The 12-month change is represented by the difference in the indexes of the reference months. Thus, the 12-month variation can decrease from one month to the next merely because the base serving as the point of comparison increased.

Source: Statistics Canada

Twelve-Month Percent Changes

Also referred to as "year-over-year", twelve-month percent changes compare indexes for a given month to indexes for the same month of the previous year. As they compare two points in time, they are influenced by unusual or temporary events that can affect either of the two months. Their calculation does not include any of the intervening monthly indexes.

Source: Statistics Canada

Annual Average Index

Annual average indexes are calculated by averaging index levels over the 12 months of the calendar year. These data should not be confused with the 12-month change in the CPI. By the nature of the calculation, averaging indexes over the calendar year gives a better representation of price behaviour over the whole year and is closer to the concept of an average price. The use of annual averages is considered the preferred option for indexation purposes.

Source: Statistics Canada

Latest Twelve-Month Average Index

The latest twelve-month average index (ending in the current month) is a 12-month moving average of the indexes of the most recent 12 months. It is calculated like the annual average index. Hence, in theory, the December twelve-month average index would be equal to the annual average index for the calendar year. However, in practice, when BC Stats makes these calculations from published data, the December 12-month average index may differ from Statistics Canada's published annual average index due to rounding.

Source: Statistics Canada

Harmonized Sales Tax

On July 1, 2010, the Harmonized Sales Tax (HST) came into effect in British Columbia and Ontario. As well, Nova Scotia increased its HST by two percentage points.

On April 1, 2013, the Harmonized Sales Tax came into effect in Prince Edward Island, while British Columbia returned to the Provincial Sales Tax and the Goods and Services Tax.

Source: Statistics Canada

Additional information

More information about the concepts and use of the CPI is available online in the Statistics Canada publication Your Guide to the Consumer Price Index (catalogue 62-557-XIB)

With the release of the May 2011 CPI, Statistics Canada has updated the basket of goods & services used in the calculation of the Index. Learn more

Prepared by: BC Stats, March 2017